Enronitis, Ethics and Compliance Survey

Value Based Management

2004

Objective:
This online survey was conducted to gauge how much the business world learned in the immediate post-Enron and Sarbanes-Oxley era.

Methods Used:
From March until April 2004, Value Based Management.net conducted an anonymous visitor survey on Business Ethics on their website. The survey sample consisted of executive officers/directors (42%), other business executives (27%) and students/consultants (31%).

Key Findings:
- Approximately two-thirds of the respondents expect that ethics/compliance education for senior management could help prevent future cases similar to that of Enron.
- Only a fourth of the surveyed organizations had established a helpline for ethics/compliance issues in their workplace at the time of the survey.
- Only a fourth of the organizations employ a full-time ethics/compliance officer.
- About one-third of the respondents said that their organization have an ethics/compliance program going on.
- 86% of the respondents said that their organizations don’t measure ethics/compliance in their performance appraisal system.
- 43% of organizations do not take appropriate action towards strong performers that don’t live up to their organizations’ ethics/compliance values.
- 74% of all respondents believe senior executives have not learned a lesson from Enronitis.

Conclusion:
The survey suggests that there was a long way to go, back in 2004, for Ethics/Compliance to really kick-into the daily affairs of executives of companies and that a lot was needed to learn and implement so that Enron type scandals do not occur in the future.

Full Report